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STATEMENT OF SENATOR CHARLES E. SCHUMER
CARES COMMISSION PUBLIC HEARING
BRONX, NY
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I thank the CARES Commission for allowing me to present this testimony today, and to express the concerns that I share with Hudson Valley, Long Island, and New York City veterans about the effect that recommendations made in the CARES Draft National Plan will have on veterans' healthcare in VISN-3. I am deeply troubled by the fact that the recommendations of the CARES Commission seem to put cost cutting over quality healthcare to those who have earned it through service to their country. I strongly believe that the Commission should thoroughly reexamine the methods used in creating the Draft National Plan and it should reconsider its conclusions before making final recommendations to Secretary Principi.

Before I discuss my specific concerns about the changes proposed within VISN-3, I would like to express my concern about what I feel to be a fatal flaw in these proceedings. I am extremely disturbed by the fact that the people most affected by the recommendations in the Draft National Plan, the veterans of VISN-3, are not able to express themselves at this hearing. Veterans should be allowed to directly comment on the CARES Draft National Plan, so that the Commission can fully understand the challenges and burdens that the plan would place on the veterans whose healthcare services would be relocated.

I have also been worried that since the Montrose Campus serves veterans from all over Rockland, Dutchess, Westchester and Orange counties as well as Long Island, holding only one hearing, here in the Bronx, would have prevented many veterans from participating in a process that directly affects them. Many of these vets could not have traveled here to appear at this hearing, but they will nonetheless be severely impacted by the changes proposed in the Draft National Plan. However, I am pleased that these concerns have been addressed by the decision to hold an additional hearing in Montrose. I feel that holding a hearing in Montrose is only fair to the veterans served at the Montrose campus, and represents a step forward in rectifying some of the deficiencies in the CARES process.

Under the CARES Draft National Plan's recommendations for VISN-3, inpatient services at the Montrose Campus would be eliminated, and the 291-bed facility would be converted into an outpatient only clinic. Those veterans who still require inpatient psychiatric, medical and nursing home care would be forced to travel to the Castle Point facility in Dutchess County. I have heard from many veterans who have serious questions and concerns about the feasibility of this plan, and the impact that it will have on the quality of their healthcare services.

The reduction in services at the Montrose Campus recommended by the CARES Draft National Plan may have a significantly detrimental effect on veterans' healthcare in the Hudson Valley. I think it is impractical, and unfair, to force veterans to travel greater distances and

experience longer waits to receive medical care, and I am afraid that is exactly what will occur with the transfer of inpatient services from Montrose to Castle Point.

By transferring the 230 inpatients currently being treated at the Montrose Campus to Castle Point, the CARES Draft National Plan will move services away from veterans population centers, and require these veterans, any new inpatients, and their families to travel greater distances. For many veterans and their families the increased distance, travel time, and travel costs will create an unnecessary barrier to receiving treatment, and will degrade the quality of veterans' healthcare services in the Hudson Valley. I have also heard from some veterans who are very concerned about the proposed transfer of the spinal cord injury unit from Castle Point to the Bronx. I want the VA to explain thoroughly its reasons for this decision, because again this recommendation would eliminate a medical specialty from the Hudson Valley and consolidate it in a location that could be difficult for relatives and friends of the patients to travel to.

The CARES Draft National Plan also fails to adequately answer the question of how the Castle Point facility, which is a much smaller facility and has already been faced with challenges such as inaccessibility and long outpatient waiting periods, will accommodate the patient load it is slated to assume from the Montrose Campus. Castle Point currently has a capacity of only 122 beds, none of which are designated for psychiatric or domiciliary care. Obviously, Castle Point is not currently equipped to absorb the patient load from the Montrose Campus, and massive infrastructure expansions and renovations, as well as changes in service provision, would need to be put into place before taking on such a workload would be remotely possible without severely compromising the quality of patient care.

The changes in the types of service Castle Point would be required to provide under the CARES Draft National Plan also threaten to harm the ability of specific groups of veterans to receive quality care. Veterans in the Hudson Valley are extremely fortunate to have a quality mental health facility at the Montrose Campus. VA. For those suffering from mental trauma, the answer is Montrose's crisis mental health facility. By closing this facility and attempting to transfer services elsewhere, the ability of veterans like Jeffery Kelly of Sullivan County to receive treatment could be drastically impacted.

Jeffrey Kelly, a 1991 Gulf War Vet, has suffered from Post-Traumatic Stress Disorder (PTSD) since returning home from Iraq where he worked as a Nuclear/Biological/Chemical Specialist checking oil well safety and studying its effects on the environment. Jeffrey's post-traumatic stress is displayed through extremely violent behavior that is most likely chemically induced. The transformation Jeffrey has gone through since returning home- from a family man to a violent person unable to control his behavior- has torn his family apart, and has led to a court order taking away his right to see his son.

For years Jeffrey refused to see a doctor and only now, through the guidance and advice of Eric Nystrom, the VSA Director for Sullivan County, has Jeffrey come to the realization that it is time to seek help. He has agreed to see a Doctor at the PTSD screening program at Montrose so he will learn how to cope with his violent behavior and outbursts.

Montrose is a much-needed mental health facility in the Hudson Valley. It offers veterans

suffering from PTSD a program to help manage their symptoms and flashbacks. It also has a 28-day substance abuse program and a domiciliary program that lasts 180 days and teaches suffering veterans how to cope with their stress. This program aims to reintegrate veterans back into their communities by addressing their mental health needs, giving them jobs at the hospital, allowing them to earn a small stipend so that when they complete the program they will be able to use that money to make a fresh start.

Jeffrey Kelly now has that opportunity. But he may not if the Montrose facility's mental health program ceases to exist. The crisis mental health facility similar to Montrose's does not exist at Castle Point. By transferring services to Castle Point, veterans like Jeffrey will not have the same quality of specified treatment they would receive at Montrose. Essentially, it would be like putting people like Jeffrey back into primary care- back into the mainstream. This cannot happen if veterans suffering from PTSD and other diseases are to recover and learn how to cope with their mental health issues.

I am also concerned by the CARES Draft National Plan's recommendation to eliminate inpatient services at its only veterans' hospital in Manhattan and transfer the 350 beds to a hospital in Brooklyn. This recommendation concerns me for many of the same reasons that I am concerned by the proposed closure of Montrose. Once again, it seems as if the CARES Draft National Plan is placing cost-cutting measures above facility access. Ed Daniels, a Manhattan veteran who suffered knee injuries in Vietnam was recently quoted as saying that without the Manhattan facility he would have to take two buses to reach a train, just in order to take another bus to get to the next-closest hospital. While I understand that the VA feels a responsibility to be more cost-efficient, I cannot imagine that these are the types of consequences that were intended, or ones that could be allowed to pass.

I feel that this example is illustrative of a number of deficiencies in the CARES process that must be addressed before any final action effecting veterans' healthcare is taken. While the CARES process was intended to comprehensively assess veterans' health care needs and services across the nation, the reality of the situation shows this effort to be flawed and incomplete. In FY02 the VA spent close to $3.3 billion on long-term care for veterans; over the next ten years demand will most likely increase. The number of veterans using VA health care has grown from 2.9 million in 1996 to 6.8 million as of January. Estimates tell us that the veterans most in need of long-term care will more than double to about 1.3 million in 2012. Yet long-term care of veterans has yet to be discussed in the Draft National CARES Plan (DNP). Further, domiciliary and outpatient mental health care services were not addressed in the CARES planning. Thus, while the CARES initiative ostensibly seeks to better address the growing needs of our veterans, it is truly doing a disservice to those who fought for their country in a time of need. Now, they are in need and we have a duty to be there for them.

I am also concerned that the CARES process is moving far too rapidly to address any of these concerns. Allowing the CARES Commission only two months to hold hearings and examine a plan that constitutes a building-by-building review of 5,000 structures nationally containing more than 118 million square feet of space does not provide enough time for the Commission and other stakeholders to adequately examine these recommendations and address their flaws. Likewise, requiring Secretary Principi to issue final approval of a plan by the end of

the year unnecessarily accelerates an important process that requires significant deliberation. I fear that by needlessly hurrying this process, the Department of Veterans Affairs will make bad decisions that will degrade the quality of veterans' healthcare in New York and the United States for years to come. Accordingly, I urge the CARES Commission and the Department of Veterans Affairs to extend the review process for the CARES Draft National Plan and to hold additional, localized hearings to fully explore the impact of its proposals.

The veterans of New York and the United States have been forced to face extreme challenges in recent years. The Veterans Equitable Resource Allocation (VERA), which is used to determine the level of veterans funding disbursed to each of the nation's service networks, has had a particularly negative impact on New York's veterans hospitals because it has had the effect of shifting funds to the South and Southwest, despite the fact that healthcare costs in New York continue to rise. Nationwide, decreases in funding have resulted in over 130,000 veterans being forced to wait over six months or more for a VA medical appointment, and Priority 7 and 8 veterans are facing the prospect of being burdened with $250 annual enrollment fees and higher co-payments for prescription drugs and outpatient visits. I believe that contemplating the types of reductions in service proposed by the CARES Draft National Plan for the Montrose and Manhattan facilities in this context is unfair to veterans, who earned the right to the services those facilities provide by sacrificing for the good of our nation.

These proposed reductions also send a negative message to tomorrow's veterans, who as we speak are serving our country in Afghanistan, Iraq, and throughout the world. Thankfully, our military technology is saving the lives of more and more of our wounded troops. As these brave wounded soldiers return home they will need to rely on the healthcare services provided by the Department of Veterans Affairs. I am deeply troubled by the message that we would be sending to those future veterans by brashly moving forward with the reductions contained in the Draft National Plan.

I thank the Commission for the opportunity to present testimony at today's hearings.

Testimony of Senator Hillary Rodham Clinton
Before the Capital Asset Realignment for Enhanced Services (CARES) Commission
VISN 3
September 17, 2003

Ladies and gentlemen of the CARES Commission, thank you for allowing me to present testimony on the Draft National CARES Plan. As I will explain more fully below, I believe that the Draft National CARES Plan and the process used to develop it are deeply flawed. The Plan has not adequately taken into account the impact of these proposals on long term care, domiciliary care and mental health services. Moreover, this Commission and the Department of Veterans Affairs have not allowed veterans a meaningful opportunity to participate in these hearings and the overall CARES process at every stage. The Department of Veterans Affairs needs to go back to the drawing board and develop its plan through a fair process that takes into account all relevant factors and allows veterans to fully participate in the plan's development. In the context of VISN 3, the VA's ill-considered recommendations regarding the Montrose, Castle Point and Manhattan VA hospitals would have disastrous consequences for thousands of veterans in the region.

At this time in our nation's history, with U.S. troops bravely serving in Iraq, Afghanistan and elsewhere, it sends exactly the wrong message to propose such drastic changes in veterans' health care without proper thought and deliberation. Our troops are fighting overseas to defend our values and way of life. We owe it to our current and future veterans to make sure that we provide the best health care possible for them and not rush to implement recommendations that provide our veterans with less adequate health care.

The CARES Process

As a starting point, our bottom-line goal should be the delivery of high quality health care services to our veterans, delivered as efficiently as possibly. Unfortunately, the hasty procedures that the Department of Veterans Affairs followed to develop these recommendations are fundamentally flawed.

The CARES process was supposed to provide for a considered and comprehensive examination of veterans health care needs and services. However, the original schedule was to have the Veterans Integrated Service Networks (VISNs) submit completed market plans and initiatives by November 2002, leaving only five months to develop recommendations. Actually, the Market Plans were submitted in April 2003. The timeline was extended by four months but, in June 2003, the Department of Veterans Affairs sent back the plans of several VISNs and asked them to develop alternative strategies for consolidation. On June 12, 2003, I joined with several of my Senate colleagues in writing to Secretary of Veterans Affairs Tony Principi objecting to this request as it appeared to target facilities with long-term, domiciliary and psychiatric beds.

Veterans' health care is too important an issue to require an adherence to artificial deadlines and hasty recommendations. With literally the lives of veterans at stake, the Commission should not engage in a rush to judgment over closing VA facilities.

Failure to Consider Long Term, Domiciliary and Mental Health Needs

As a result of the flawed CARES process, several important factors that are critical to veterans' health care have been neglected. In this rushed process, the impact of the proposed changes to long-term care, domiciliary care and mental health needs were not considered. The exclusion of these important factors taints the recommendations of the draft national plan. For example, the Draft National CARES Plan states that its mental health outpatient psychiatric provisions are "undergoing revision" and "should be available for next year's strategic planning cycle." Incredibly, despite this admission, the Draft National CARES Plan proposes reductions in beds in facilities that provide mental health services. Similarly, there is widely expected to be an increase in the demand for long term beds for veterans over the next 20 years. However, the Draft National Plan does not contain any analysis of how many long-term beds are needed in the coming decades and yet still recommends closing facilities with long-term beds.

The Impact on New York's VISN 3 Facilities

Montrose VA Hospital

The Draft National CARES Plan for VISN 3 recommends eliminating all inpatient services at Montrose VA hospital and transferring most of these services to the Castle Point VA hospital. A decision to follow through on this recommendation would be a serious blow to veterans who currently rely on the Montrose VA hospital for their care.

Under the draft national plan, the Montrose Campus is slated to lose an estimated 105 long term care beds, 116 domiciliary beds, and 70 psychiatric beds if it is converted to outpatient services only. Under the plan, these services would be transferred to the Castle Point Campus which would become a Critical Access Hospital. However, as mentioned previously, the need for long-term beds has not been properly assessed and current projections forecast that there will be a significant increase in the need for psychiatry beds through 2012. In order to ensure adequate capacity to handle the projected case load, local veterans organizations support retaining all services at Montrose and Castle Point.

Moving inpatient services from Montrose to Castle Point will require, by VA's own admission between $85 and $100 million and take at least 5 and maybe as many as 10 years to accomplish. However, the Draft National CARES Plan provides no explanation for what will happen to services at Montrose in the meantime. Further, there is no analysis of how veterans will get services if future budgets do not include enough funds for the transition.

Wait Times

The often substantial waiting periods that veterans living in this region already experience at the Montrose and Castle Point Campuses and their satellite facilities underline the strain the system is experiencing. According to VA-supplied numbers, wait times vary from a low of 1.6 days for an EKG, to a high of 66.3 days for a cardiologist. It takes 9 days to see a diabetes specialist; 14.2 days for a group mental health appointment, 17.5 days to secure a primary care/medical bed; and 24 days for a gastroenterologist. It also takes 9 days to see the Chaplain.

According to VA officials at the Castle Point Campus, it takes 12.1 days for an EKG (while on average there is only a 1.6-day wait at Montrose); 13 days to see an infectious disease specialist; 15 days for a dental appointment (although representatives of veterans groups have informed my office that the wait is actually longer); 50 days to see a podiatrist; and 41 days to see an orthopedist.

The wait times at the regional satellite offices are lengthy as well. At New City, my office has been informed there is a 21.4-day wait for a primary care appointment and 72.5 days for an optometrist; at Carmel, 51 days for a podiatrist and 23 days for an optometrist; at Port Jervis, 31 days for primary care and 53 days for an optometrist at this facility; at Monticello, 14 days for primary care and 23 days for a mental health appointment. At Poughkeepsie, there is a 7-day wait for a primary care appointment. Those veterans who are highly mobile can drive longer distances to a regional satellite office with shorter waiting times. For many veterans, however, that is not an option.

In light of these concerns and the failure of the Department of Veterans Affairs to properly consider the impact of Montrose's closure on the availability of long-term and psychiatric beds in the Hudson Valley, the Montrose closure should be taken off the table.

Castle Point VA

The Draft National CARES Plan will also have a significant impact on the Castle Point VA. As described above, wait times at Castle Point are already too long. With the closure of Montrose and the shifting of veterans to Castle Point, the wait times are likely to get even worse. In addition, as you will hear, many area veterans have questioned the adequacy of space available for expansion at Castle Point. Clearly, additional analysis is necessary before closing in-patient services at Montrose and shifting additional patient care to Castle Point.

Manhattan VA

The CARES Draft National Plan recommends developing "a plan to consider the feasibility of consolidating inpatient care at Brooklyn." Yet, once again there is no requirement that this plan require the input of veterans. Further, the proposal does not properly take into account how the consolidation of inpatient care in Brooklyn will

impact the relationship between the New York University School of Medicine (NYUSM) and the Manhattan VA, a component of Veterans' Affairs New York Harbor Healthcare System (NYHHS).

As you know, the Manhattan VA is the VISN 3 center for Interventional Cardiology, Cardiac Surgery and Neurosurgery. The Manhattan VA also contains six tertiary care specialties that the VA has designated as centers of excellence. These specialties are in Cardiac Surgery, Neurosurgery, Cardiac-Vascular Surgery, Comprehensive Rehabilitation Services, HIV/AIDS, and Dialysis. The Manhattan facility also houses a designated clinical care unit and research center for AIDS and HIV infection. This unit receives grant funding from several sources, including the Veterans Health Administration and the National Institutes of Health.

The NYUSM, together with its affiliates, the Manhattan VA, Bellevue Hospital, Tisch Hospital, and the Rusk Institute of Rehabilitation Medicine, supports a Preservation Amputee Center and Rehabilitation Medicine Service. The VISN Footwear Center is also located at the Manhattan VA. The Prosthetic and Orthotic Laboratory has a unique role in the region in producing artificial limbs.

There is also a substantial Research and Development Service that includes basic research and clinical trials regarding a variety of subjects, including cancer, mental health, and rehabilitation engineering. There is an estimated $5 million in grant support from the Veterans Health Administration and the National Institutes of Health. However, according to NYU, all of these projects are in jeopardy if the Manhattan campus program moves to Brooklyn.

As you can see, the Manhattan VA has many unique features. That should come as no surprise given the fact that the relationship between NYUSM and the Manhattan VA stretches back almost fifty years. That relationship between NYUSM and the Manhattan VA has made possible much of the excellent health care available at the Manhattan VA.

The NYU-Manhattan VA relationship, and the high quality of care for veterans it produces, would be imperiled by the potential closure of the Manhattan VA. Indeed, my office has heard from New Yorkers who believe the VA intends to transfer all inpatient services to Brooklyn. Such a transfer could result in a dramatic change in the way that medical care is dispensed to veterans in the New York City metropolitan area. It could also eliminate the possibility of more gradual changes that would consolidate specialty care to meet a changing veterans' population, while refining the specialties of each hospital within the NYHHS.

Shifting inpatient services from Manhattan to Brooklyn may damage the relationship between NYUSM and NYHHS and cause a reduction in the quality of veterans' health care in the New York metropolitan area. The NYUSM residency program is fully integrated with the Manhattan VA. NYUSM reports that there are 125 NYUSM residents at the Manhattan VA. Shifting inpatient services from Manhattan to

Brooklyn could result in a weakening or termination of the affiliation of the NYUSM residency program with the VA. It is possible that NYUSM will need to establish a partnership with a new entity or reduce the residency program in order to absorb it into their existing facilities.

The transfer of inpatient services to Brooklyn could also result in the departure of NYU physicians from NYHHS. As noted previously, the Manhattan VA is the VISN 3 center for Cardiac Surgery, Neurosurgery, and Interventional Cardiology. It is an open question at best whether NYUSM physicians could choose whether to follow the specialty services to Brooklyn or leave the VA healthcare system altogether. If NYUSM physicians left the VA health care system, the Brooklyn VA would be required to re-staff to provide the inpatient specialty services, and the Manhattan VA would be required to re-staff outpatient service positions.

Finally, the practical matter of transportation deserves close scrutiny in your deliberations. The high quality tertiary services at the Manhattan VA attract veterans from New York, and other states including New Jersey and Pennsylvania. One of the reasons the Manhattan VA is able to serve these veterans is its amazing accessibility, located, as it is, in the heart of Manhattan, at the center of a mass transit system that is unmatched anywhere else in the nation.

The potential loss of the benefits of the NYU – Manhattan VA relationship as well as the Manhattan VA's central location make the recommendation to study the transfer of inpatient facilities to Brooklyn an ill-considered one. Once again, the Draft National CARES Plan is flawed and the Commission needs to reject its recommendations.

Listening to Veterans

With all due respect, the flaws of the CARES process are nowhere more apparent that at this hearing. The proposed realignment of the Manhattan and Montrose VA facilities will impact thousands of veterans in New York City and the Hudson Valley. However, shockingly, veterans who are directly impacted by these proposals are not being allowed to testify before the commission. In my experience as a U.S. Senator, there are invaluable insights that can be gained only by holding hearings where the people impacted by a policy change are allowed to testify in person rather than through written submissions. Furthermore, this hearing is being held in the Bronx, a significant trip for veterans in the Hudson Valley who are impacted by the CARES proposal, many of whom find it extremely difficult to travel to the Bronx to attend today's hearing.

By holding these hearings without allowing affected veterans to appear before you and at a location that is difficult to reach for many of the veterans affected by the draft national plan, the Commission will deprive itself of observations and experiences that should be playing a critical role in your deliberations. I urge the commission to schedule additional hearings where veterans may testify in locations closer to each impacted facility.

Conclusion

Our nation's veterans have served their country with distinction. Our nation made a pact with those who serve their country in the Armed Forces – a commitment that those who served would have access to quality health care through the VA hospital system. Yet this ill-considered and rushed Draft National CARES Plan threatens to undermine our commitment to our nation's veterans. That is why I will be offering legislation in the Senate to halt the current process until long-term, domiciliary, and mental health care are adequately considered and veterans are allowed to fully participate in the CARES process. Before Congress requires it, I urge the CARES Commission to reject the current Draft National CARES plan and advise Secretary Principi that you are unable to develop appropriate recommendations under current CARES procedures. If the current recommendations are rejected, the Department of Veterans Affairs and the CARES Commission can begin anew by taking into account the proper factors and input from veterans.

Thank you.